

# Non-Departmental Fund

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$5,799,000	\$5,799,000	0

The Non-Departmental Fund is designed to account for anticipated costs that cannot be allocated to specific agencies during the development of the proposed budget.

Use of a non-departmental account is a common practice to anticipate District-wide cost increases while providing the flexibility to project, budget, and allocate these costs.

In FY 2003, the Non-Departmental Fund will improve budget formulation through greater recognition of District-wide cost drivers and by enhanced mechanisms to detect and project changes in these cost drivers.

## Local Funds

The proposed Local budget is \$5,799,000, which represents no change from the FY 2002 approved budget. There are no FTEs funded by Local sources, which represents no change from FY 2002.

## Programs

For FY 2003, the Non-Departmental fund includes funding for step increases and employee health insurance cost increases.

The FY 2003 budget development manual directed agencies not to budget for step increases in FY 2003 because they are internally financed by the replacement of senior staff with staff com-

pensated at lower levels. For small agencies, however, where staff turnover may not be sufficient to internally finance step increases, an amount of \$500,000 is included in the FY 2003 proposed budget for step increases. This funding will be allocated to agencies as needed during FY 2003 based on actual payroll costs and potential deficits identified through the monthly financial review process.

The District of Columbia awarded a new employee health insurance contract that took effect in March 2002. This contract reflects eliminating two providers and adding two new ones. Based on the uncertain enrollment with these providers, and because open-season was still in progress during the FY 2003 budget formulation, \$5,300,000 is included as a contingency. This funding will be allocated to agencies as needed based on actual fringe benefit expenditures during FY 2002, as monitored in the monthly financial review process.

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## Where the Money Comes From

Table DO0-1 shows the source of funding for Non-Departmental.

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Table D00-1

### FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Local	0	0	5,799	5,799	0
<b>Gross Funds</b>	<b>0</b>	<b>0</b>	<b>5,799</b>	<b>5,799</b>	<b>0</b>

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## How the Money is Allocated

Table DO0-2 shows the FY 2003 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

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Table D00-2

### FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Subsidies and Transfers	0	0	5,799	5,799	0
<i>Non-personal Services</i>	0	0	5,799	5,799	0
<b>Total Proposed Operating Budget</b>	<b>0</b>	<b>0</b>	<b>5,799</b>	<b>5,799</b>	<b>0</b>